

**UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF NEW YORK**

In re:

SUFFOLK REGIONAL OFF-TRACK  
BETTING CORPORATION,

Adjusted Debtor.

Chapter 9

Case No. 12-43503-CEC

**DECLARATION OF CELINE M.  
GAZES IN SUPPORT OF MOTION  
TO CLOSE CASE**

I, **CELINE M. GAZES**, under penalty of perjury hereby declare that the following is true and correct to the best of my knowledge and belief:

1. I have been the Comptroller & Director of Finance for Suffolk Regional Off-Track Betting Corporation (“Suffolk OTB”) since 2004. In that capacity, I am personally familiar with the books and records of Suffolk OTB and its historical financial performance since that time.

2. I submit this affidavit in further support of the *Motion of the Adjusted Debtor Suffolk Regional Off-Track Betting Corporation to Close Chapter 9 Case* (the “Motion”).

**BACKGROUND**

3. In 2012, Suffolk OTB was in a precarious financial position and was not generating sufficient income (1) to pay its creditors currently, (2) repay its long-term bank debt; or (3) pay any net revenue to Suffolk County. That situation necessitated the Chapter 9 filing in this Court. The Second Amended Plan for the Adjustment of Debts of Suffolk Regional Off-Track Betting Corporation (the “Confirmed Plan”) provided a plan for Suffolk OTB to significantly restructure its operations and expenses and become a viable public benefit corporation once again by opening a video lottery terminal facility (the “VLT Facility”) now known as Jake’s 58.

**COMPLIANCE WITH THE CONFIRMED PLAN**

4. Since the opening of the VLT Facility in 2017 in Islandia, New York, Suffolk OTB remained current on all of its obligations, but has also greatly reduced its pre-Chapter 9 case obligations. Suffolk OTB's pre-Chapter 9 case debt to New York Community Bank of over \$5 million has been paid in full. Suffolk OTB's pre-Chapter 9 case debt to Suffolk County of approximately \$600,000 has been paid in full. Since 2017, Suffolk OTB paid a total of approximately \$7.8 million to Suffolk County, and has paid more than \$10 million to its Allowed Class 4 creditors under the Confirmed Plan. These payments were made possible solely due to the additional revenue generated by the VLT Facility.

5. The claims of the Class 4 general unsecured creditors have been reduced from over \$18 million in booked and asserted claims to approximately \$4.6 million as of this date. There are no other remaining pre-petition claims against Suffolk OTB.

6. As the Court is well aware, the operations of Suffolk OTB were closed by Executive Orders starting on March 14, 2020. *See Interim Status Report*, Dckt. No. 850. At that time, Suffolk OTB had projected that it would pay the \$4.6 million owed to the Class 4 creditors by the end of July 2020. Under the Confirmed Plan, as modified, the Class 4 creditors are scheduled to be paid in full by December 2020.

7. Suffolk OTB has received term sheets or strong indications of intent from two financial institutions – Community Federal Savings Bank (the “Bank”) and Entrepreneur Growth Capital, LLC (the “Non-Bank”) -- to assist with both paying off the remaining approximately \$4.6 million owed to the Class 4 general unsecured creditors and a \$3,978,828 loan under the Paycheck Protection Program, 15 U.S.C.S. § 636(a)(36) (the “PPP”) of the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136 134 Stat. 281, as amended by the Paycheck Protection Program Flexibility Act, Pub. L. No. 116-142, 134 Stat. 643 (2020) (the “CARES

Act”), provided that at least with respect to the PPP loan, this Chapter 9 case is closed no later than the end of June 2020.

8. As I understand, this Motion was originally calendared for July 22, 2020, because Suffolk OTB was unaware until it filed its application with the Bank on June 19, 2020 that the Bank would require this case to be closed sooner than next month.

9. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge and belief.

Dated: June 23, 2020

/s/ Celine M. Gazes  
Celine M. Gazes  
Comptroller and Director of Finance  
Suffolk Regional Off-Track Betting  
Corporation